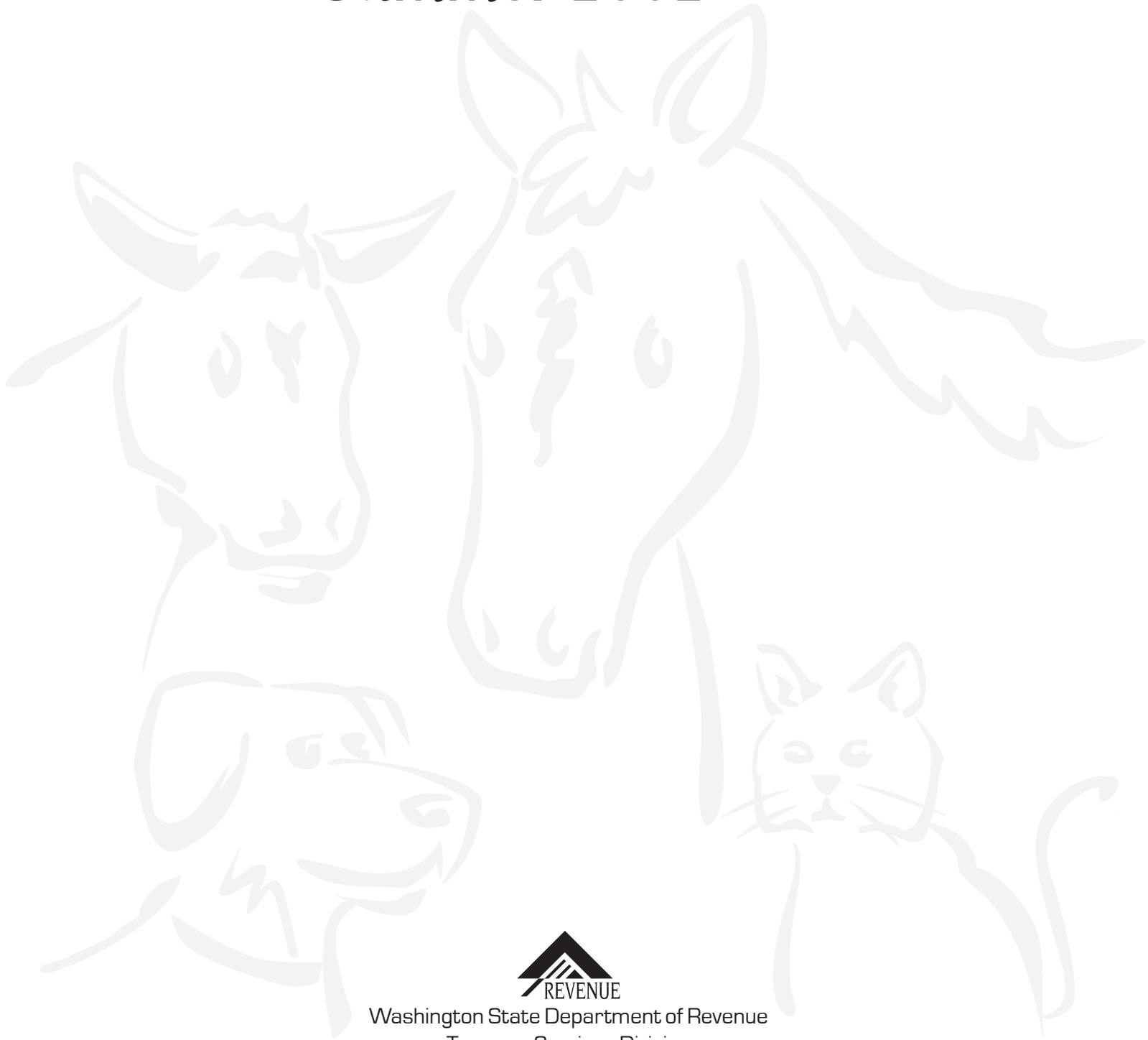


# VETERINARIAN GUIDE

TO WASHINGTON STATE  
EXCISE TAXES

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***Summer 2002***



Washington State Department of Revenue  
Taxpayer Services Division

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# INTRODUCTION

This publication explains the business and occupation (B&O), retail sales, and use tax applications for sales and services provided by veterinarians operating in Washington. It includes a discussion of tax liability resulting from the performance of professional services and the sale of medicines and supplies for use in the care of animals. There is an emphasis on particular areas of concern, such as purchases of items for both resale to customers and use in the course of providing veterinary services.

The information contained in this reporting guide is current at the time of publication. It is important to remember that state tax laws change on a regular basis and this reporting guide does not reflect any changes occurring after printing.

For additional information or answers to any questions about Washington excise taxes, please contact the Department of Revenue using the telephone number, web site address, or mailing address listed below. Additional information about the Department of Revenue's services is available in the "Services" section of this reporting guide. The "Referrals" section includes general information about other agencies.

Toll-Free Telephone Number: 1-800-647-7706

Web Site: <http://dor.wa.gov>

Mailing Address: Taxpayer Services Division  
Washington Department of Revenue  
PO Box 47478  
Olympia, WA 98504-7478

# **TAXPAYER RIGHTS AND RESPONSIBILITIES**

## **THE TAXPAYERS OF THE STATE OF WASHINGTON HAVE THE RIGHT TO:**

- ◆ Simple and prompt administrative process for tax refunds and credits.
- ◆ Timely, fair, and equitable treatment with dignity and respect.
- ◆ Accurate, written information on reporting instructions, appeal procedures, refund claims, and reasons for assessment.
- ◆ Public hearings on proposed rules.
- ◆ Review and appeal of assessments, business registration revocations, and adverse rulings.
- ◆ Remedies when statutes and rules are found to be unconstitutional.
- ◆ Confidentiality of financial and business information.

## **THE TAXPAYERS OF THE STATE OF WASHINGTON HAVE THE RESPONSIBILITY TO:**

- ◆ Register with the Department of Revenue.
- ◆ Know their tax reporting obligations and seek instructions when they are uncertain.
- ◆ Keep accurate and complete business records.
- ◆ File returns and pay taxes in a timely manner.
- ◆ Ensure the accuracy of the information entered on their tax returns.
- ◆ Substantiate claims for refund.
- ◆ Notify the Department of Revenue and pay taxes promptly when closing a business.

# DEFINITIONS

“Veterinary Services” defined for tax purposes:

**“Veterinary services” include** the diagnosis, cure, mitigation, treatment, or prevention of disease, deformity, defect, wounds, or injuries of animals. It also includes the administration of any drug, medicine, dietary preparations, method or practice, or performance of any operation, or manipulation, or application of any apparatus or appliance for the diagnosis, cure, mitigation, treatment, or prevention of any animal disease, deformity, defect, wound, or injury. This includes the surgical insertion of metal screws or plates either permanently or temporarily. In addition, unless specifically noted below, the term “veterinary services” includes all of the activities described under RCW 18.92.010.

For tax purposes, **“veterinary services” does not include** the therapeutic use of an item of tangible personal property opened and partly administered by the veterinarian or by an assistant under his or her direction, and taken by the customer for further administration by the customer to the animal, *providing the charge for the item is separately stated on the invoice*. It also does not include the sale of tangible personal property, including the sale of prescribed drugs from a store or pharmacy. Finally, it does not include the sale of tags, implants, or other electronic devices, or any other item used for establishing or maintaining positive identification of the animal.

## Other Definitions

**Business and Occupation (B&O) Tax:** The B&O tax is the tax applied to the gross amount received from conducting business. There are different reporting classifications for retail sales, wholesale sales, professional services, etc. Each classification has its own tax rate. Persons performing more than one activity may be subject to B&O tax under more than one reporting classification.

The B&O tax is a pyramiding tax. This means each business owes B&O tax on the gross income resulting from its activities. Unlike an income tax that applies to net income, there are no deductions for labor, materials, taxes, rent, or other costs of doing business.

**Consumer:** A consumer is any person who uses tangible personal property and receives services defined as retail sales. Such tangible personal property or services may be for personal use or for conducting business activities. If you’re a seller, you need to know who is a consumer to know when to collect sales tax. If you’re a buyer, you need to know when to pay sales tax and, if sales tax hasn’t been paid, when to pay use tax or deferred sales tax.

**Deferred Sales Tax:** This tax applies under conditions where a person acquired goods without paying sales tax when sales tax was due. Generally, deferred sales tax applies when someone uses a resale certificate to purchase goods that are used and not resold. This issue is discussed in greater detail in the “Dual Use Purchases” section of the “Payment of Sales/Use Tax/Deferred Sales Tax on Consumables” chapter. When reporting deferred sales tax, the taxable amount is reported on the use tax line of the Combined Excise Tax Return.

## DEFINITIONS (continued)

**Gross Amount:** The term “gross amount,” which appears at the top of Column 1 on the Combined Excise Tax Return, is a “catch-all” term for whichever of the following terms is applicable to your business: “gross proceeds of sale,” “gross income of the business,” or “value of products.” The gross amount includes all consideration received without deductions for the costs of doing business or other expenses.

**Independent Contractor:** An independent contractor is usually a person who engages in business activities other than as an employee. Determining whether a person is an independent contractor or an employee is important because independent contractors are subject to the B&O tax (and other business taxes) and employees are not. Various factors determine whether one is an employee or an independent contractor. Generally, independent contractors are entitled to the gross income of the business, are liable for business losses and expenses, file a statement of business income and expenses (Schedule C) for income tax purposes, may employ others, etc.

**Master Application:** This application is completed by persons that are required to register with one or more state agencies. Persons completing the application are assigned a ***Unified Business Identifier (UBI) Number***. The business then receives a Master License to post at the business location.

**Resale Certificate:** A completed resale certificate is given by a buyer to a seller to verify that the goods or retail services are being purchased for resale in the normal course of business without intervening use.

**Retail Sales Tax:** A tax imposed on the buyer of goods and certain retail services. However, the seller is responsible for collecting the tax from the consumer and remitting the tax to the Department of Revenue. The sales tax is the combination of the state and local taxes.

**RCW:** Revised Code of Washington; state laws.

**UBI/ Department of Revenue (DOR) Registration Number:** Sometimes called a registration, tax, “C,” or resale number, the Unified Business Identifier (UBI) number is a nine-digit number used to identify persons engaging in business activities. The number is assigned when a person completes a Master Application to register with or obtain a license from state agencies. The Departments of Revenue, Licensing, Employment Security, Labor and Industries, and the Corporations Division of the Secretary of State are among the state agencies participating in the UBI program. **In most cases, your UBI number will also be your DOR registration number.** Spouses who wish to file separately and business entities who have divisions that wish to file separately will be assigned separate DOR registration numbers as needed.

## DEFINITIONS (continued)

**Use Tax:** Use tax is imposed on the use of goods by consumers in this state when the state's retail sales tax has not been paid. With respect to the use of goods as a consumer, either sales tax or use tax applies but not both. In this manner, use tax serves to complement the sales tax. Like the sales tax, the use tax is a combination of state and local taxes. Use tax rates and sales tax rates are the same.

**WAC:** Washington Administrative Code; rules that carry the weight of law and explain how the laws are administered.

# BUSINESS AND OCCUPATION (B&O) TAX

Almost all businesses located in Washington are subject to the business and occupation (B&O) tax or similar tax. The B&O tax is the tax imposed on a person for doing business in Washington. It makes no difference that the business is a corporation, partnership, sole proprietorship, or other type of entity. The B&O tax is a *gross proceeds* tax and is calculated on the gross income of the business. This means that there are no deductions from the B&O tax for labor, materials, taxes, or other overhead and costs of doing business.

Generally, there are two classifications of B&O tax for veterinary business's: The *service and other activities* classification and the *retailing* classification.

## Service and Other Activities

The service and other activities B&O tax classification applies to the gross income derived from “veterinary services” as that term is defined in the “Definitions” chapter.

The service and other activities B&O tax also applies to the gross income derived from grooming, boarding, training, artificial insemination, stud services, and other services provided to live animals.

## Retailing

The retailing classification of the B&O tax applies to the gross income from the sale of drugs, medicines, other substances, or items of tangible personal property to consumers when the sale is not included in the veterinary services. The retailing classification applies only when the veterinarian does not administer the drug, medicine, other substance, or item. In cases where the veterinarian only administers part of the drug, medicine, other substance, or item of tangible personal property to the animal, with further administration to be completed by the customer, the veterinarian must separately list the charge on the bill.

In short, the retailing classification applies to income from all sales of animal care products to consumers that are not included in the definition of “veterinary services” discussed in the “Definitions” section.

Please note that when income is subject to retailing B&O tax, the seller must collect retail sales tax from the customer, unless the sale is specifically exempt. (See the “Collection of Retail Sales Tax” chapter.)

## Wholesaling B&O Tax Classification

The wholesaling classification of the B&O tax applies to the gross income from sales of tangible personal property to a purchaser who is not the consumer of the item and who intends to resell it. To document the sale-for-resale nature of the sale, *the purchaser must provide the seller with a properly completed resale certificate.*



## BUSINESS AND OCCUPATION (B&O) TAX (continued)

See the “Dual Use Purchases” section of the “Payment of Sales/Use Tax/Deferred Sales Tax on Consumables” chapter for more information about resale certificates.

### B&O Tax Exemptions and Deductions

No deductions are allowed for costs of doing business. However, certain income may be deducted from gross income: Interstate and Foreign Sales:

- ◆ Income derived from veterinary services performed outside the state may be apportioned and deducted from gross income. Apportionment must be based on either separate accounting, (e.g., billable hours accumulated outside the state) or the cost of doing business method.
- ◆ Similarly, income derived from the sale of articles of tangible personal property, such as medicines and supplies that are shipped to customers outside the state are exempt from tax. Please note that items picked up in Washington by out-of-state customer for use outside the state are fully subject to B&O tax.
- ◆ **Casual Sales:** Sales of tangible personal property by a business that does not generally sell such goods. These sales are generally related to a sale of capital assets. For example, a veterinarian may purchase new equipment and sell the existing equipment to another veterinarian. The sale of this equipment is a retail sale and subject to retail sales tax. However, the veterinarian does not routinely sell equipment. The sale must be reported and retail sales tax must be collected, however, the veterinarian may take a “casual sales” deduction equal to the amount of the sale under the retailing B&O tax classification.
- ◆ **Returns and Allowances:** A veterinarian may take a B&O tax deduction for returned goods for which the buyer receives a full refund, including the proportional amount of sales tax. The refund sales tax should be separately stated on the refund invoice.
- ◆ **Bad Debts:** A deduction is allowed for returned checks and other income that has been reported on your tax returns, but you are unable to collect from the customer.

### City Business and Occupation Tax and Licenses

Approximately, thirty-five cities impose a tax on general business activities. Although commonly referred to as a B&O tax, the Department of Revenue does not administer local B&O taxes. That tax

## **BUSINESS AND OCCUPATION (B&O) TAX (continued)**

administration is left to each city or town that imposes a B&O tax. Local B&O tax classifications may or may not mirror Washington State's B&O tax applications, exemptions, deductions, and measures of tax. Consequently, you should contact each city or town in which you conduct business regarding their specific taxes.

Approximately 160 Washington cities impose licensing requirements. For those cities imposing a tax on general business activities, the licensing requirements are in addition to the tax. Licensing fees vary from city to city. Fees may be based on a flat rate, number of employees, type of business, or square footage of office or building space.

The Washington State Department of Licensing's Master License Service operates License Information Management System (LIMS), an on-line "licensing library," providing information on federal, state, county, and city licensing for easy reference. The Internet address is: <http://www.wa.gov/dol/bpd/limsnet.htm>.

## **LITTER TAX**

### **Litter Tax**

Chapter 82.19 RCW imposes a litter tax on retailers, among others, equal to the value of certain products at the rate of fifteen one thousandths of one percent or \$0.15 per \$1000.00. Beginning January 1999, the frequency and time of collection of the litter tax was changed to coincide with the reporting periods by which the businesses pay their B&O tax.

Veterinarians are subject to this tax on the gross income derived from the sale of food for pet consumption and non-drug store sundry items. It does not apply to income derived from providing veterinary services.

# COLLECTION OF RETAIL SALES TAX

Veterinarians must collect retail sales tax on certain sales of tangible personal property and remit the tax to the state along with their B&O taxes. The retail sales tax is a tax on the consumer or user of tangible personal property and retail services in Washington. Buyers are subject to and must pay the sales tax when making retail purchases, sellers must collect and pay the tax to the Department of Revenue. *Sellers are liable for the tax even if they do not collect it from the buyer.*

## **Sales Tax Rates — Combined State and Local Sales Tax**

The state retail sales tax rate is 6.5% and local rates vary from 0.5% to 2%, for a combined rate of 7.0% to 8.9% in some areas. Retail sales tax is based on the “selling price” of an item, which includes delivery charges and any other costs whatsoever paid or accrued. An updated list of all local rates is mailed each quarter with the Combined Excise Tax Return. The local rates can also be found on the Department’s website.

## **Which Rate To Charge?**

The location of sale determines the applicable local sales tax rate. In the case of goods delivered to a client, *the place from which delivery occurs* determines the location of the sale. Therefore, veterinarians should collect sales tax at the rate for their business location whether items are picked up by the customer or delivered to the customer.

## **Itemize Sales Tax**

Sales records and receipts or invoices for sales taxable sales must separately list the sales tax. It is not sufficient to merely state that tax is included. When tax is not listed separately, the law presumes that the gross amount of the receipt is subject to sales tax and tax will be assessed on that amount.

## **Itemize Sales Taxable/Non-Sales Taxable Charges**

Veterinary customers frequently make retail purchases of medicines and the like in conjunction with receiving veterinary services. For example, a pet owner may purchase pet vitamins at the same time their pet receives its annual checkup. The sales invoice must clearly identify the charge for veterinary services, the charge for the vitamins, and the sales tax charged and collected on the price of the vitamins.

# COLLECTION OF SALES TAX (continued)

## Retail Sales Tax Exemptions and Deductions

Washington law provides certain exemptions from the retail sales tax.

### *Sales tax exemptions and deductions with comparable B&O tax exemptions and deductions*

- ◆ Interstate and foreign sales
- ◆ Returns and allowances
- ◆ Bad debts

### *Sales tax exemptions and deductions without comparable B&O tax exemptions or deductions*

- ◆ Sales of tangible personal property to nonresidents of Washington who are residents of: Oregon, Montana, Alaska, Alberta, Delaware, New Hampshire, The Virgin Islands, Guam, Yukon Territory, Puerto Rico, and The Commonwealth of Northern Mariana Islands.

Thus, an Oregon resident bringing her pet to a Washington veterinarian for its annual checkup and purchasing pet vitamins would not be subject to retail sales tax on the vitamins. The veterinarian should write the Oregon Driver's License number on the receipt to document the sales tax exempt nature of the vitamin sale. The vitamin sale is still subject to retailing B&O tax.

- ◆ Sales of feed for purebred livestock used for breeding purposes, providing the veterinarian obtains a completed purebred livestock exemption certificate from the buyer. A sample of the certificate used for such purchases can be found in the "Appendix." B&O tax is still due.
- ◆ Sales of semen for use in artificial insemination of livestock. These sales remain subject to the retailing B&O tax.
- ◆ Sales of USDA-or FDA-approved animal pharmaceuticals to farmers when such products will be administered to animals raised by farmers to produce agricultural products for sale. The farmer must provide the veterinarian with a completed exemption certificate. A sample of the certificate used for such purchases (REV 27 0032) can be found in the "Appendix." (This exemption also applies to retail purchases of such products. See page 13.)
- ◆ Complete information about USDA/FDA approved animal pharmaceuticals can be found on the FDA web site at [www.fda.gov/cvm/index](http://www.fda.gov/cvm/index).

# INTERSTATE SERVICES AND SALES

## **B&O Tax & Retail Sales Tax Application**

Amounts derived from veterinary services performed outside Washington may be deducted from gross income reported under the service and other activities classification.

Goods shipped or delivered outside the state are exempt from B&O tax and retail sales tax. Goods picked up in Washington by nonresident customers are always subject to B&O tax and generally subject to retail sales tax, unless the nonresident is from one of the jurisdictions listed above.

## PAYMENT OF SALES/USE TAX ON CONSUMABLES

In addition to understanding when to collect Washington's retail sales tax, veterinarians must also understand when they must pay retail sales tax, use tax, or deferred sales tax. The terms "sales tax," "use tax," and "deferred sales tax" are frequently used interchangeably. Although the rates are the same, the application of each tax differs according to the circumstances of sale. Veterinarians making purchases for use as a consumer without payment of Washington's retail sales tax must know when to report and pay use tax or deferred sales tax. (See the "Definitions" chapter for a definition of these terms.)

**Sales Tax:** Veterinarians are considered the consumer of any tangible personal property used or consumed by them in the course of performing veterinary services. These purchases are retail in nature and retail sales tax should be paid to the vendor. Such purchases include, among others, purchases of most medicines, bandages, splints, and other supplies primarily for use by veterinarians in performing their veterinary services.

**Use Tax:** Typically, a business may purchase items by telephone or mail order from out-of-state companies that do not have a sufficient presence in Washington to require them to collect retail sales tax, or the businessperson may purchase items in a state that does not have a retail sales tax. Such items are subject to the use tax. A credit against the use tax is allowed for any retail sales tax paid to another jurisdiction.

Thus, veterinarians are subject to use tax on all purchases of equipment, consumables, and any other articles of tangible personal property used or consumed in the course of providing veterinarian services that were purchased in such a way that retail sales tax was not paid. This includes office furniture, magazine subscriptions, and other items not directly related to providing veterinarian services, but nonetheless used by the business.

The use tax rate is the same as the retail sales tax rate that applies at the location where the items are first put to use. Use tax is based on the value of the item, which is determined by the purchase price. Effective June 1, 2002, the value of goods at time of first use has been changed to include shipping and handling charges.

Veterinarians and others who provide services to live animals are required to pay use tax on any samples that they acquire or give away unless retail sales tax or use tax has been previously paid on these samples.

**Sales Tax and Use Tax Exemption:** Purchases by veterinarians of USDA-or FDA-approved animal pharmaceuticals that will be administered to animals that are raised by farmers for the purpose of producing for sale an agricultural product are exempt from retail sales tax and use tax. The veterinarian must provide the vendor with a completed exemption certificate (REV 27 0032). A sample certificate can be found in the "Appendix."

## PAYMENT OF SALES/USE TAX ON CONSUMABLES (continued)

**Resale Purchases:** Purchases of tangible personal property by veterinarians primarily for resale in the regular course of business and without intervening use by the veterinarian, are wholesale purchases and **are not subject to the retail sales tax**. The veterinarian must provide the vendor with a properly completed resale certificate, so that the vendor can document the sales tax exempt nature of the purchase.

For a sample Resale Certificate, see the “Appendix.”

**Purchases for Dual Use:** Veterinarians make bulk purchases of many products, such as bandages and medicines. Some of the product will be used or consumed in the course of providing veterinarian services and the balance will be sold directly to the customer. Typically, the veterinarian does not know what portion of the product will be used as a consumable and what portion will be resold. Thus, the veterinarian is often unsure whether to pay retail sales tax on the purchase or provide a resale certificate to the vendor, and how to reconcile the proper taxability.

When a veterinarian both consumes and resells a product and is not able to determine at the time of purchase whether the product will be consumed or resold, the veterinarian should determine the *primary use of the product*.

If the veterinarian primarily consumes the product in question, the veterinarian should not give a resale certificate to the vendor and should pay retail sales tax on the total purchase.

If the veterinarian primarily resells the product, the veterinarian may issue a resale certificate for the entire purchase.

**Deferred Sales Tax Liability:** When the veterinarian gives a resale certificate for all purchases and thereafter consumes some of the product purchased, the veterinarian must set up the value of the article used in his or her books and records and remit to the Department of Revenue the applicable *deferred sales tax*. Deferred sales tax is the tax the veterinarian would have paid on the product had it not been purchased using a resale certificate. The deferred sales tax liability should be reported under the use tax classification on the veterinarian’s Combined Excise Tax Return, using the location code of the seller’s location.

**Tax Paid at Source Deduction:** When the veterinarian has not given a resale certificate, but has paid sales tax on a purchased product, and subsequently resells some of the product, the veterinarian *must collect the retail sales tax* from the customer. When reporting these sales on the excise tax return, the veterinarian can then take a deduction on the Combined Excise Tax Return for the amount that the veterinarian paid for the product.

The term “primarily” means greater than fifty percent for tax purposes. However, for ease of record keeping, the principles discussed in this section can apply to all products that might have dual use. Thus, for example, a veterinarian may decide to pay retail sales tax on all purchases for dual use, and take a tax paid at source deduction for those that are resold. Alternatively, the veterinarian may decide to give a resale certificate to vendors for all products purchased for dual use and pay deferred sales tax on those used or consumed.

## TAX EXAMPLE

The following example identifies a number of facts and then states a conclusion. This example should be used only as a general guide. The tax status of other situations must be determined after a review of all the facts and circumstances.

A dog owner brings her dog to a veterinarian for professional services. The dog has multiple wounds and a broken leg. The veterinarian sets the broken bone and uses a cast and other appropriate therapeutic medicines on the dog in the course of treatment. The veterinarian also applies some salve to the wounds and gives the remainder of the salve to the dog's owner for application over the next few days. The veterinarian segregates the charges for the veterinary services, including the cast materials, and the medicines. The charge for the salve is also separately stated on the billing invoice. The customer also purchases flea powder, dog food, and toothpaste for the dog.

The gross income for the veterinary services is subject to the service and other activities B&O tax classification. This includes the charges for the cast materials and the medicines. The charge for the salve is considered a retail sale, which is subject to the retailing B&O and retail sales taxes. The charges for the flea powder, dog food, and toothpaste are also taxable in this manner. If the veterinarian had previously paid sales or use tax on the salve, he or she is allowed to take a deduction for tax paid at source.

Category	Amount	Classification
Veterinarian	\$4,350	Service
Cast materials	\$400	Service
Vet-administered medicine	\$50	Service
Salve	\$40	Retail
Flea control	\$15	Retail
Dog food	\$10	Retail
Toothpaste	\$5	Retail

The taxes are reported as follows:

Revenue	Amount
Service & Other Activities B&O tax	\$4,800
Retailing B&O tax	\$70
Retail Sales tax	\$70
Litter tax	\$70*
Deductions	
None	

\* Litter tax is due on food for pet consumption and non-drug store sundry items.





MAIL TO: State of Washington  
Department of Revenue  
PO Box 34051  
Seattle, WA 98124-1051

SEPTEMBER 2002

# COMBINED EXCISE TAX RETURN

☐ **ONLY** Fill in Box if Amended Return Information Attached

09

02

## SAMPLE TAX RETURN

NAME Dr. John Doe REG NO. 600 000 001

FIRM NAME Doe's Veterinary Clinic

STREET ADDRESS 23240 2<sup>nd</sup> Ave

CITY, STATE, ZIP Spokane, WA 99222

Address Changes? ☐ business location ☐ mailing address ☐ both ☐ Business closed? ☐ Date closed   /  /   See note section, pg. 2.

Please fill in the appropriate box and note address changes above.

### I STATE BUSINESS AND OCCUPATION TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
1	Extracting, Extracting for Hire	16				.00484	
2	Slaughter, Break Proc, Perish Meat-Whlse; Mfg Wheat into Flour; Raw Seafood; Soybean & Canola Proc	30				.00138	
3	Travel Agent Com/Tour Operators; Intl Charter Freight Brokers; Stevedoring	28				.00275	
4	Insurance Agents; Insurance Brokers Commis	14				.00484	
5	Manuf Fresh Fruit and Veg; Split or Proc Dried Peas; Prescription Drug Warehousing; Mfg Dairy Products	21				.00138	
6	Processing for Hire; Printing and Publishing	10				.00484	
7	Manufacturing	07				.00484	
8	Royalties; Child Care	80				.00484	
9	Wholesaling	03				.00484	
10	Warehousing; Radio & TV Broadcasting; Public Road Construction; Government Contracting	11				.00484	
11	Public or Nonprofit Hospitals	55				.015	
12	Cleanup of Radioactive Waste for US Gov't; Environmental Remedial Action	83				.00471	
13	Service & Other Activities	04	4,800 00	0	4,800 00	.015	72 00
14	Retailing of Interstate Transportation Equip	19				.00484	
15	Retailing	02	70 00	0	70 00	.00471	33
TOTAL B&O TAX							72 33

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME

\* Deductions taken but not itemized on pages 3 and 4 will be disallowed.

### II STATE SALES AND USE TAX

16	Retail Sales (also complete local tax section III)	01	70 00		70 00	.065	4 55
17	Use Tax/Deferred Sales Tax (also complete local tax section III)	05		Value of articles used by taxpayer as a consumer on which no Washington sales tax has been paid		.065	
TOTAL STATE SALES & USE TAX							4 55

### III LOCAL CITY AND/OR COUNTY SALES AND USE TAX

Local Sales Tax (Enter applicable rate of tax) Code 45			
Total Taxable Amount must be the same as line 16, column 3, Taxable Amount			
Line No.	Location Code	Taxable Amount	Tax Due City or Co.
18	3200	70 00	.013 91
19			
20			
21			
22			
TOTAL TAXABLE		70 00	TOTAL 91

Local Use Tax/Deferred Sales Tax (Enter applicable rate of tax) Code 46			
Total Value of Articles must be the same as line 17, column 1, Gross Amount			
Line No.	Location Code	Value of Articles	Tax Due City or Co.
23			
24			
25			
TOTAL VALUE OF ARTICLES			TOTAL

Line No.	Tax Classification	Code	Taxable Amount	Rate	Tax Due
26	Region Transit Authority (RTA)	89		.004	
27	King County Food & Bev	90		.005	
28	Litter Tax	36	70 00	.00015	01

DUE DATE: OCTOBER 25, 2002

OCTOBER 2002						
S	M	T	W	T	F	S
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

★ 5 % Penalty Assessed After October 25, 2002  
10% Penalty Assessed After December 2, 2002  
20% Penalty Assessed After December 31, 2002  
If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

- ▶ Please fill in this box if you had no business activity. ☐ (see note section, pg. 2)
- ▶ This return must be mailed, unless filed electronically.
- ▶ Please make check or money order payable to the Washington State Department of Revenue. Do not send cash or coins.
- ▶ For assistance, call (800) 647-7706.

▶ Signature \_\_\_\_\_  
▶ Ph. ( ) \_\_\_\_\_ Date \_\_\_\_\_

Line No.	Item	VIII TOTALS	
29	Total All Tax Due from page 1	77	80
30	Total All Tax Due from page 2		
31	Rental Car Tax (attach Rental Car Tax Addendum)		
32	Subtotal (add lines 29-31)	77	80
33	Credit (from page 2, section VII, total credit)		
34	Subtotal (subtract line 33 from line 32)		
35	Add Penalty, if applicable ★ Minimum \$5.00		
36	Interest		
TOTAL AMOUNT OWED (add lines 34 - 36)		77	80

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(7-17-02) ★ Penalty waiver request? Attach and fill in box. ☐ (see note section, pg 2)

1

#### IV LODGING TAXES

TRANSIENT RENTAL INCOME INFORMATION (enter location code and income only) Code 47							
Line No.	Location Code	Income		Location Code	Income		Location Code
37							
38							

CONVENTION AND TRADE CENTER TAX Code 48			
Line No.	Location Code	Taxable Amount	Tax Due
39			
40			
41			
TOTAL CONVENTION & TRADE CENTER TAX			

SPECIAL HOTEL/MOTEL TAX Code 70			
Line No.	Location Code	Taxable Amount	Tax Due
42			
43			
44			
TOTAL SPECIAL HOTEL/MOTEL TAX			

#### V STATE PUBLIC UTILITY TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 4	Column 3** Taxable Amount	Col. 4 Rate	Column 5 Tax Due
45	Water Distribution	60				.05029	
46	Sewer Collection	61				.03852	
47	Power	49				.03873	
48	Gas Distribution; Telegraph	26				.03852	
49	Motor Transportation; Railroad; Railroad Car	08				.01926	
50	Urban Transportation; Vessels Under 65 ft	12				.00642	
51	Other Public Service Business	13				.01926	
TOTAL STATE PUBLIC UTILITY TAX							

\*\* If taxable amounts on lines 45-51 column 3 total less than \$2,000, no Public Utility Tax is due.

#### VI OTHER TAXES

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
52	Tobacco Products	20				1.2942	
53	Refuse Collection	64				.036	
54	Petroleum Tax	57	Temporarily Not Due - Fund Limit Reached			.005	
55	Hazardous Substance	65				.007	
56	Intermediate Care Facilities for the Mentally Retarded (IMR)	79				.06	
TOTAL OTHER TAXES							

\* Deductions taken but not itemized on page 4 will be disallowed.

Line No.	Tax Classification	Code	Item	Quantity Sold	Rate	Tax Due
57	Solid Fuel Burning Device Fee	59	Number of Stoves, Fireplaces, & Solid Fuel Burning Devices:		\$30.00	
58	Syrup Tax	54	Number of Gallons (whole numbers only):		\$1.00	
59	State Enhanced 911 Tax	93	Number of Taxable Switched Access Lines:		.20	
TOTAL OTHER TAXES						

#### PLEASE NOTE:

If you do not have deductions, do not return pages 3 and 4.  
If you have deductions, complete and return pages 3 and 4.

#### NEED HELP?

**Internet Assistance** -- Go to DOR's home page at <http://dor.wa.gov>

- Click on **FORMS** to access forms including the Local City and/or County Sales and Use Tax Supplement, and other tax-related forms.
- Under **Tax Topics**, click on **BUSINESS** for answers to frequently asked questions and business closure information, and the **Filing Your Tax Return** link provides penalty waiver information. Under **PUBLICATIONS**, the **Business Tax Guide** link provides tax return information and instructions.
- To update your account information or to close your account with the Department of Revenue, click on **DOR SERVICES**, then **Business Information Update**.

#### Telephone Assistance

- Call the Department of Revenue office nearest you or (800) 647-7706.
- To file a No Business Activity return by telephone, call (800) 647-7706. Enter code 111 and follow these steps: 1) Enter your 9-digit registration number; 2) Verify the number entered; 3) Enter 3; 4) Respond to pre-recorded questions to file your return over the telephone. Do not mail paper return back to the department.
- For penalty waiver criteria information, call (800) 334-8969 and enter code 429.
- For business closure information, call (800) 334-8969 and enter code 430.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342.  
Teletype (TTY) users may call (800) 451-7985.

#### TOTAL OTHER TAXES

(Add lines 52-59)

#### VII CREDITS

Line No.	Credit Classification	Credit I.D.	Amount
60	Multiple Activities Tax Credit (attach Schedule C)	800	
61	High Technology Credit (attach Research & Development Credit Affidavit)	830	
62	Manufacturing Software; Programming Rural Employment B&O Credit	860	
63	Help Desk Services B&O Credit	865	
64	Alternatives to Field Burning B&O Credit	875	
65	International Services Credit	855	
66	<b>Small Business B&amp;O Tax Credit (see table enclosed)</b>	<b>815</b>	
67	Electric Utility Rural Economic Development Revolving Fund Public Utility Tax Credit	870	
68	Bad Debt Tax Credit (attach Schedule B)	801	
69	Hazardous Substance	805	
70	Public Utility Tax Credit for Billing Discounts/Qualified Contributions to a Low Income Home Energy Assistance Fund	880	
71	Other Credits (attach appropriate documents)	810	
TOTAL CREDIT (transfer to page 1, line 33)			

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(7-17-02)

2



## APRIL 2002 DEDUCTION DETAIL

04

02

- Deductions taken on the Combined Excise Tax Return, but not itemized on this form will be disallowed.
- Report deductions under the heading that corresponds to your reporting activity.
- Transfer the total amount of each deduction from this form to the corresponding tax classification on your return in the deduction column.

***If Completing, Fill out Name, Registration Number and Attach to Combined Excise Tax Return.***



► Name \_\_\_\_\_

Line 1 - Extracting, Extracting for Hire	I.D.	Amount
Bad Debts	1601	
Cash & Trade Discounts	1602	
Other (Explain):	1699	
<b>TOTAL</b>		
Line 2 - Slaughter, Break Processing...	I.D.	Amount
Bad Debts	3001	
Cash & Trade Discounts	3002	
Other (Explain):	3099	
<b>TOTAL</b>		
Line 3 - Travel Agent Com; Intl Charter...	I.D.	Amount
Bad Debts	2801	
Cash & Trade Discounts	2802	
Other (Explain):	2899	
<b>TOTAL</b>		
Line 4 - Insurance Agents; Insurance...	I.D.	Amount
Bad Debts	1401	
Other (Explain):	1499	
<b>TOTAL</b>		
Line 5 - Manufacturing Fresh Fruits and...	I.D.	Amount
Bad Debts	2101	
Cash & Trade Discounts	2102	
Freight	2103	
Interstate & Foreign Sales (Use for Prescription Drug Warehousing Only)	2104	
Advances Reimbursements; Rtrns & Allowances	2107	
Other (Explain):	2199	
<b>TOTAL</b>		
Line 6 - Processing for Hire; Printing and...	I.D.	Amount
Bad Debts	1001	
Cash & Trade Discounts	1002	
Freight	1003	
Advances Reimbursements; Rtrns & Allowances	1007	
Other (Explain):	1099	
<b>TOTAL</b>		
Line 7 - Manufacturing	I.D.	Amount
Bad Debts	0701	
Cash & Trade Discounts	0702	
Freight	0703	
Advances Reimbursements; Rtrns & Allowances	0707	
Other (Explain):	0799	
<b>TOTAL</b>		
Line 8 - Royalties; Child Care	I.D.	Amount
Bad Debts	8001	
Cash & Trade Discounts	8002	
Advances Reimbursements; Rtrns & Allowances	8007	
Other (Explain):	8099	
<b>TOTAL</b>		

► Registration No. \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Line 9 - Wholesaling	I.D.	Amount
Bad Debts	0301	
Cash & Trade Discounts	0302	
Interstate & Foreign Sales	0304	
Motor Vehicle Fuel Tax	0305	
Casual Sales; Accommodation Sales	0306	
Advances Reimbursements; Rtrns & Allowances	0307	
No Local Activity	0308	
Other (Explain):	0399	
<b>TOTAL</b>		
Line 10 - Warehousing; Radio & TV...	I.D.	Amount
Bad Debts	1101	
Cash & Trade Discounts	1102	
Interstate & Foreign Sales	1104	
Advances Reimbursements; Rtrns & Allowances	1107	
Radio/TV Advertising	1109	
Other (Explain):	1199	
<b>TOTAL</b>		
Line 11 - Public or Nonprofit Hospitals	I.D.	Amount
Bad Debts	5501	
Cash & Trade Discounts	5502	
Advances Reimbursements; Rtrns & Allowances	5507	
Other (Explain):	5599	
<b>TOTAL</b>		
Line 12 - Cleanup of Radioactive Waste...	I.D.	Amount
Bad Debts	8301	
Cash & Trade Discounts	8302	
Interstate & Foreign Sales	8304	
Advances Reimbursements; Rtrns & Allowances	8307	
Other (Explain):	8399	
<b>TOTAL</b>		
Line 13 - Service & Other Activities	I.D.	Amount
Bad Debts	0401	
Cash & Trade Discounts	0402	
Interstate & Foreign Sales	0404	
Advances Reimbursements; Rtrns & Allowances	0407	
Gambling; Prize; Cash Pay-Outs	0410	
Certain Initiation Fees; Dues; Contributions	0411	
Interest on Certain Invest/Loan/Obligations	0412	
Artistic/Cultural Activities	0416	
Other (Explain):	0499	
<b>TOTAL</b>		
Line 14 - Retailing of Interstate Transport...	I.D.	Amount
Bad Debts	1901	
Cash & Trade Discounts	1902	
Interstate & Foreign Sales	1904	
Advances Reimbursements; Rtrns & Allowances	1907	
Consignment Sales	1915	
Other (Explain):	1999	
<b>TOTAL</b>		

Line 15 – Retailing (B&O)	I.D.	Amount
Bad Debts	0201	
Cash & Trade Discounts	0202	
Interstate & Foreign Sales	0204	
Motor Vehicle Fuel Tax	0205	
Advances Reimbursements; Rtrns & Allowances	0207	
No Local Activity	0208	
Casual Sales; Accommodation Sales	0213	
Tax in Gross	0214	
Consignment Sales	0215	
Artistic/Cultural Activities	0216	
Presc. Drugs Sold by Pub. Oper/Nonprofit Hospitals	0217	
Other (Explain):	0299	
<b>TOTAL</b>		

 **Not all deductions are allowable from both Retailing (B&O Tax) and Retail Sales Tax.** 

Line 16 - Retail Sales Tax	I.D.	Amount
Bad Debts	0101	
Cash & Trade Discounts	0102	
Interstate & Foreign Sales	0104	
Tax in Gross	0114	
Sales to U.S. Government	0118	
Motor Vehicle Fuel Sales	0119	
Prescription Drugs/Hearing Aids/Lenses/etc	0121	
Exempt Food Sales	0122	
Qualified Nonresident Sales	0123	
Trade-in Allowance	0124	
Newspapers	0125	
Certain Network Telephone Service	0126	
Sales to Indians with Delivery on the Reservation	0128	
Sales of Feed to Fish Farmers	0129	
Taxable Amount for Tax Paid at Source	0130	
Returns & Allowances	0131	
Sales to Nonprofit Organizations of Artistic/Cultural Art Objects for Displays	0132	
Ride-Sharing Vans	0134	
Purebred Livestock for Breeding	0135	
Tax Deferral/Investment Certificate No. _____	0136	
Sale of Manufacturing Mach/Equip; Install Labor	0156	
Direct Pay Permits	0170	
Other (Explain):	0199	
<b>TOTAL</b>		

Line 45 - Water Distribution	I.D.	Amount
Bad Debts	6001	
Cash & Trade Discounts	6002	
Interstate & Foreign Sales	6004	
Amounts Paid to Another for Services Jointly Provided	6039	
Amounts Received by Nonprofit Water Association for Capital Projects	6040	
Amounts Derived From Distribution of Water Through Irrigation Systems	6041	
Conservation Expenditures	6057	
Reclaimed Water	6058	
Other (Explain):	6099	
<b>TOTAL</b>		

Line 46 - Sewer Collection	I.D.	Amount
Bad Debts	6101	
Cash & Trade Discounts	6102	
Amounts Paid to Another for Services Jointly Provided	6139	
Other (Explain):	6199	
<b>TOTAL</b>		

Line 47 – Power	I.D.	Amount
Bad Debts	4901	
Cash & Trade Discounts	4902	
Interstate & Foreign Sales	4904	
Amounts Paid to Another for Services Jointly Provided	4939	
Amounts Expnd. to Improve Consumer's Efficiency of Energy	4942	
Low Density/Wholesale Power Costs	4947	
Other (Explain):	4999	
<b>TOTAL</b>		

Line 48 - Gas Distribution; Telegraph	I.D.	Amount
Bad Debts	2601	
Cash & Trade Discounts	2602	
Interstate & Foreign Sales	2604	
Amounts Paid to Another for Services Jointly Provided	2639	
Other (Explain):	2699	
<b>TOTAL</b>		

Line 49 - Motor Transportation; Railroad...	I.D.	Amount
Bad Debts	0801	
Cash & Trade Discounts	0802	
Interstate & Foreign Sales	0804	
Amounts Paid to Another for Services Jointly Provided	0839	
Other (Explain):	0899	
<b>TOTAL</b>		

Line 50 - Urban Transportation; Vessels...	I.D.	Amount
Bad Debts	1201	
Cash & Trade Discounts	1202	
Interstate & Foreign Sales	1204	
Amounts Paid to Another for Services Jointly Provided	1239	
Other (Explain):	1299	
<b>TOTAL</b>		

Line 51 - Other Public Service Business	I.D.	Amount
Bad Debts	1301	
Cash & Trade Discounts	1302	
Interstate & Foreign Sales	1304	
Amounts Paid to Another for Services Jointly Provided	1339	
Other (Explain):	1399	
<b>TOTAL</b>		

Line 52 - Tobacco Products	I.D.	Amount
Interstate & Foreign Sales	2004	
Sales to U.S. Government	2018	
Returned/Destroyed Goods	2043	
Other (Explain):	2099	
<b>TOTAL</b>		

Line 53 - Refuse Collection	I.D.	Amount
Bad Debts	6401	
Sales to U.S. Government	6418	
Sales to Other Refuse/Solid Waste Collectors	6445	
Other (Explain):	6499	
<b>TOTAL</b>		

Line 54 - Petroleum Tax	I.D.	Amount
Petroleum Products Exported Out of State	5746	
Other (Explain):	5799	
<b>TOTAL</b>		

Line 55 - Hazardous Substance	I.D.	Amount
Other (Explain):	6599	
<b>TOTAL</b>		

# RECORD KEEPING REQUIREMENTS

Veterinarians must keep complete and adequate records from which the Department of Revenue may determine any tax for which the salon is liable.

## **Time Limit:**

The Department of Revenue requires that records be kept for the current year, plus four years. In 2002, for example, records should be kept back to January 1, 1998. In 2003, records should be kept back to January 1, 1999.

## **Required Records:**

- ◆ Federal income tax returns
- ◆ Washington Combined Excise Tax Returns

## **Suggested records:**

- ◆ General and subsidiary ledgers.
- ◆ Sales and/or cash receipts journals.
- ◆ Sales invoices.
- ◆ Purchase/cash disbursement journals.
- ◆ Purchase invoices for assets and expense items.
- ◆ Financial statements.
- ◆ Resale certificates for wholesale sales.
- ◆ Documentation for any exemption claimed or given and any deductions taken.

**References:** WAC 458-20-254

## DEPARTMENT SERVICES

The Department of Revenue offers many services to make reporting your taxes as convenient as possible. We conduct workshops, provide personal and telephone assistance, and produce a wide range of publications to make working with us simpler. Please contact us if you need help.

### GENERAL SERVICES

**Tax Express:** You can get answers to the most common tax questions 24 hours a day, seven days a week by calling the Tax Express prerecorded information system. To access Tax Express, call 1-800-334-8969 from a touch-tone telephone. Then enter the three-digit code, which corresponds to the topic that interests you. For a list of topics, dial code 500.

**Fast Fax:** The Department's Fast Fax allows you to select from 100+ forms, publications, and administrative rules and have them transmitted directly to your fax machine. To use the system, dial 1-800-647-7706 or (360) 486-2345.

**Telephone and one-on-one assistance:** Get answers to your tax questions, and assistance in registering your business and completing tax returns by calling or visiting your local Revenue office.

**Toll-free telephone numbers:** If you have questions or need assistance completing tax returns, you may call the Telephone Information Center at 1-800-647-7706. Teletype (TTY) users may call 1-800-451-7985.

**Internet web site:** Visit the Department's web site at <http://dor.wa.gov> and find publications, forms, the public records and unclaimed property databases, and much more.

**Copies of publications, laws and rules:** Please contact your local Revenue office, the Telephone Information Center at (800) 647-7706, or visit our web site at <http://dor.wa.gov>.

**Research statistics:** For copies of research publications, data on tax collections, tax-related statistics on business activity by industry and geographical area, and other statistical information about the state's tax structure, contact the Research Division at (360) 570-6070.

**New Business Outreach (NBO) Workshops:** To sign up for Revenue's workshops covering business registration, reporting, tax laws and rules, and record keeping requirements, contact your local Revenue office.

**Voluntary first-year audits:** If you have been in business for at least six months and would like to arrange for a first-year audit to ensure correct reporting and avoid costly mistakes, contact your local Revenue office.

**Speakers Bureau:** To arrange for a Revenue presenter on topics of interest to your organization, contact the Speakers Bureau Coordinator at (360) 486-2111.

## DEPARTMENT SERVICES (continued)

**Taxpayer Advocate:** For assistance in understanding and accessing your rights in working with the Department of Revenue, call the Taxpayer Advocate at (360) 486-2340.

**Media queries:** Newspaper, radio, and television reporters with questions on Department of Revenue issues, please call the media specialist at (360) 486-2113.

### SPECIFIC TAXES AND PROGRAMS

**Brokered natural gas tax:** Taxpayer Account Administration Division (360) 902-7063.

**Business and occupation tax:** Contact your local Revenue office or the Telephone Information Center, 1-800-647-7706.

**Business and occupation tax credit for new employees:** Taxpayer Account Administration Division (360) 902-7175.

**Cigarette tax:** Special Programs Division Miscellaneous Tax Section (360) 664-0700.

**Commercial fishing tax:** Local Revenue office or the Telephone Information Center, 1-800-647-7706.

**Corporate withdrawals or dissolutions:** Audit Division (360) 570-5963.

**Electronic Filing (ELF):** Taxpayer Account Administration Division, 1-877-FILE-ELF (1-877-345-3353).

**Electronic Funds Transfer program:** Taxpayer Account Administration Division, 1-877-FILE-ELF (1-877-345-3353).

**Enhanced food/fish tax:** Taxpayer Account Administration Division (360) 902-7128.

**Escheats:** For information and assistance in administering estates with no heirs, contact the Special Programs Division Miscellaneous Tax Section (360) 753-5547.

**Estate tax:** Special Programs Division Miscellaneous Tax Section (360) 753-5547.

**Excise tax refunds:** Taxpayer Account Administration Division (360) 902-7151.

**Excise tax status letters:** Taxpayer Account Administration Division (360) 902-7031.

**Forest excise tax:** Special Programs Division, Forest Tax Section, 1-800-548-8829.



## DEPARTMENT SERVICES (continued)

**Hotel/motel special excise tax:** Taxpayer Account Administration Division (360) 902-7063.

**Leasehold excise tax:** Special Programs Division Miscellaneous Tax Section (360) 586-5190.

**Oil spill response and administration tax:** Taxpayer Account Administration Division (360) 902-7165.

**Property tax education and advisory services:**

- ◆ Seminars and training for county personnel (360) 570-5866.
- ◆ County Board of Equalization information and levy calculations (360) 570-5864.
- ◆ County revaluation (360) 570-5862.
- ◆ Taxing districts and code area boundaries and maps (360) 570-5894.

**Property tax exemptions:**

- ◆ Nonprofit organizations (360) 570-5871.
- ◆ Senior citizens/disabled homeowners exemption and deferral (360) 570-5867.
- ◆ Current use assessment for classified and designated forest land (360) 570-5865.

**Property tax general information:** To request copies of property tax publications or for other general information, call (360) 570-5900. For information regarding a specific property tax assessment, please contact your local county assessor.

**Property tax vessel valuation:** For information on watercraft valuation and boat personal property tax and valuation, call (360) 753-1520.

**Public utility tax credit for contributions to an electric utility rural economic development revolving fund:** Taxpayer Account Administration Division (360) 902-7144.

**Real estate excise tax refunds:** For information on refunds of the real estate excise tax, contact the Special Programs Division's Miscellaneous Tax Section at (360) 664-2201. For information on the real estate excise tax, please contact the county treasurer's office where the property is located.

**Retainage fees:** For release of retainage fees on completed public construction projects, call the Audit Division at (360) 570-5979.

**Rule hearings:** For information on proposed rule changes and Excise Tax Advisories, contact the Legislation and Policy Division at (360) 570-6119.



## DEPARTMENT SERVICES (continued)

**Sales tax deferrals:** Special Programs Division (360) 664-2016.

**State and local retail sales tax:** Local Revenue office or the Telephone Information Center, 1-800-647-7706.

**Tax appeal questions:** Appeals Division (360) 753-1191

**Unclaimed property:** For information on abandoned wages, stock dividends, and deposits, please contact the Special Programs Division's Miscellaneous Tax Section at 1-800-435-2429.

**Use tax:** Local Revenue office or the Telephone Information Center, 1-800-647-7706.

## OTHER AGENCIES TO CONTACT

When you completed a Master Application, you may have registered your business with the Departments of Revenue, Licensing, Labor and Industries, Employment Security, and the Office of the Secretary of State. Several federal, state, and local agencies have specific licensing and reporting requirements which may apply to your business. If you need more information, please contact the appropriate agency listed below.

### Licensing

Certain business activities require special registration or agency authorization. These include selling liquor, cigarettes, and lottery tickets. The Master Application contains general information on special requirements and how to obtain them. You can receive information about the licenses you may need for your business from the Department of Licensing. You may also order a customized licensing packet. The packet includes information on licensing requirements, referrals to related federal, state, and local agencies, application forms tailored to your business type, and the booklet **Operating a Business in Washington State**. The Department of Licensing also registers trade names for sole proprietorships and general partnerships.

Business and Professions  
Department of Licensing  
PO Box 48001  
Olympia WA 98504-8001  
(360) 664-1400  
<http://www.wa.gov/dol>

### Labor and Industries

If you employ one or more persons, you must apply for industrial insurance coverage with the Washington State Department of Labor and Industries. Industrial insurance is not required for business owners, but those who want it can complete an application for employer coverage. To apply for industrial insurance or request more information, please look for the nearest Labor and Industries location in the state government listings of your telephone book.

Employer Services  
Department of Labor and Industries  
PO Box 44140  
Olympia WA 98504-4140  
(360) 902-4817  
<http://www.wa.gov/lni>

## OTHER AGENCIES TO CONTACT (continued)

### Employment Security

If you have any employees, you must also apply for unemployment insurance coverage with the Washington State Department of Employment Security. For the Employment Security district tax office nearest you, refer to the state government listings in your telephone book.

Status Unit  
Department of Employment Security  
PO Box 9046  
Olympia WA 98507-9046  
(360) 902-9360  
<http://www.wa.gov/esd>

### Secretary of State

Contact the Secretary of State's office to file Articles of Incorporation or a Certificate of Limited Partnership if your business has either type of ownership. The Secretary of State also registers trademarks, as well as trade names for corporations and limited partnerships.

Corporations Division  
Secretary of State  
PO Box 40234  
Olympia WA 98504-0234  
(360) 753-7115  
<http://www.secstate.wa.gov>

### Internal Revenue Service (IRS)

If you pay employment taxes, such as industrial and unemployment insurance, you need to have a Federal Employer Identification Number (FEIN). In some special cases, businesses without employees may be required to obtain a FEIN. The Internal Revenue Service also offers workshops and other taxpayer education services.

#### IRS Contacts:

Business Tax Kit	(800) 829-3676
Information	(800) 829-1040
Forms	(800) 829-3676
Fax-on-demand	(703) 487-4160
Teletax	(800) 829-4477
<a href="http://www.irs.ustreas.gov">http://www.irs.ustreas.gov</a>	

## OTHER AGENCIES TO CONTACT (continued)

### City and County Taxing Offices

If your city or county has business taxes and you are located within the city limits, you will need to register with the city taxing authority, such as the city auditor. Businesses located outside city limits should register with the county taxing authority, such as the county clerk's office. Also, remember to contact your county assessor as soon as your business opens. Businesses are required to report personal property — assets used in the operation of a business — to the assessor. Personal property includes furniture, office equipment, machines, and supplies used in the course of doing business. Check your local telephone directory for the location of these offices.

# APPENDIX



State of Washington  
Department of Revenue

## RESALE CERTIFICATE

1. Name of Seller: \_\_\_\_\_
2. Name of Buyer/Business: \_\_\_\_\_
3. Address of Buyer: \_\_\_\_\_  
Street City, State Zip Code
4. Buyer's UBI/Revenue Registration Number: \_\_\_\_\_
5. Buyer is in the business of: \_\_\_\_\_
6. Types of items purchased for resale: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*The buyer certifies that it is purchasing the items listed on line 6 (please check appropriate box):*

- ☐ *for resale in the regular course of business without intervening use.*
- ☐ *for use as an ingredient or component part of a new article of tangible personal property to be produced for sale,*
- ☐ *as a chemical to be used in processing a new article of tangible personal property to be produced for sale, or*
- ☐ *for use as feed, seed, seedlings, fertilizer, or spray materials in its capacity as a farmer.*

*The buyer acknowledges that it is solely responsible for purchasing within the categories listed on line 6. The buyer acknowledges that misuse of the resale privilege subjects the buyer to a **penalty of 50 percent of the tax due**, in addition to the tax, interest, and any other penalties imposed by law.*

Print Name: \_\_\_\_\_  
Name of Person Authorized By the Buyer to Sign the Resale Certificate

Signature: \_\_\_\_\_  
Signature of Authorized Agent of the Buyer

Effective Date: \_\_\_\_\_ through \_\_\_\_\_  
(Not To Exceed 4 Years)

Date Signed: \_\_\_\_\_

Seller must maintain a copy. ***Please do not send to Department of Revenue.***  
Reference Rule and Statute (RCW 82.08.130 and WAC 458.20.102)

For tax assistance, visit <http://dor.wa.gov> or call (800) 647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users may call (800) 451-7985.

REV 27 0020 (12-10-01)



State of Washington

## BUYERS' RETAIL SALES TAX EXEMPTION CERTIFICATE

*Not to be used as a resale certificate*

Sellers who in good faith accept properly completed copies of this certificate are relieved of the responsibility to collect sales tax on the types of sales indicated. Certificates must be obtained at the time of the sale. Sellers must retain a copy of this certificate to document the exempt sale.

Vendor/Seller		Date	
Street Address	City	State	Zip Code

I, the undersigned buyer, certify I am making an exempt purchase for the following reason: *(check applicable box(es))*

### 1. Manufacturing Machinery and Equipment:

- ☐ Check here if using as a blanket certificate for these purchases.
- a. ☐ Used directly in a manufacturing operation.
- b. ☐ Used directly in a research and development operation.

### 2. Nonresident:

Place of Residence: \_\_\_\_\_ Proof of Residence: \_\_\_\_\_

- a. ☐ Equipment for use in a farming activity *(Include brand, model and address of use):*

\_\_\_\_\_

- b. ☐ Watercraft *(Include make, model and serial number of vessel):*

☐ Registered or documented with the US Coast Guard or state of principal use and will leave Washington waters within 45 days; or

☐ Buyer is a resident of a foreign country. Purchase is for use outside Washington and will leave Washington waters within 45 days.

Seller's Signature: \_\_\_\_\_

- c. ☐ Tangible personal property for use in a noncontiguous state delivered to the usual receiving terminal of the shipper.

Type of Goods Purchased: \_\_\_\_\_

Point of Delivery: \_\_\_\_\_ Carrier/Agent: \_\_\_\_\_

- d. ☐ Tangible personal property other than motor vehicles and those mentioned above for use outside Washington by a resident of a state, possession, or province of Canada, with a sales tax rate of less than three percent.

**3. Interstate or Foreign Commerce or Commercial Deep Sea Fishing Business:**

- a. ☐ Motor vehicles, trailers and component parts thereof used to transport persons or property *for hire* interstate or foreign commerce.
- b. ☐ Airplanes, locomotives, railroad cars or watercraft and component parts thereof used in transporting persons or property *for hire*.
- c. ☐ Labor and services rendered in respect to constructing, repairing, cleaning, altering or improving *for hire* carrier property.
- d. ☐ Items for use connected with private or common carriers engaged in air, rail or water in interstate or foreign commerce. (*Note: Items consumed in the state are subject to use tax.*)
- e. ☐ Fuel to be consumed outside of Washington by a vessel primarily engaged in foreign commerce.

Vessel Name: \_\_\_\_\_

Type of Fuel: \_\_\_\_\_ Quantity \_\_\_\_\_

- f. ☐ Watercraft, component parts, labor and services, and/or diesel fuel used in a qualifying commercial deep sea fishing operation.

Registered Vessel Name: \_\_\_\_\_ Vessel Number: \_\_\_\_\_

**4. Sales to Indians:**

- a. ☐ Tangible personal property or services purchased by Indians or Indian tribes when the goods are delivered to or services provided within Indian country.
- b. ☐ Treaty Indian Fishing.

**5. Other:**

- a. ☐ Prescription items (*describe*): \_\_\_\_\_
- b. ☐ Machinery and equipment (*including labor and services to install*) used in generating electricity using fuel cells, wind, solar energy or landfill gas.
- c. ☐ Equipment rental and purchase of services for use in motion picture and video production.
- d. ☐ Objects of art or cultural value purchased by an artistic or cultural organization.
- e. ☐ Livestock for breeding purposes.

Animal Type: \_\_\_\_\_ Registered Breed Association: \_\_\_\_\_

Animal Name: \_\_\_\_\_

- f. ☐ Animal pharmaceuticals purchased by veterinarians (*describe*): \_\_\_\_\_

I, the undersigned buyer, understand that by completing and signing this certificate I am certifying that I qualify *for the tax-exempt purchase(s) indicated above. I understand that I will be required to pay sales or use tax on purchases that do not qualify for an exemption. In addition, I understand that false or erroneous use of this certificate will result in liability for unpaid tax with interest and may result in additional penalties.*

Type of entity: ☐ Individual ☐ Corporation ☐ Sole Proprietor ☐ Partnership ☐ Other (Explain)

Type of Business: \_\_\_\_\_ UBI No.: \_\_\_\_\_

Name of Buyer: \_\_\_\_\_ Title: \_\_\_\_\_

Signature of Buyer: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Seller must maintain a copy. Do not send to Department of Revenue.**

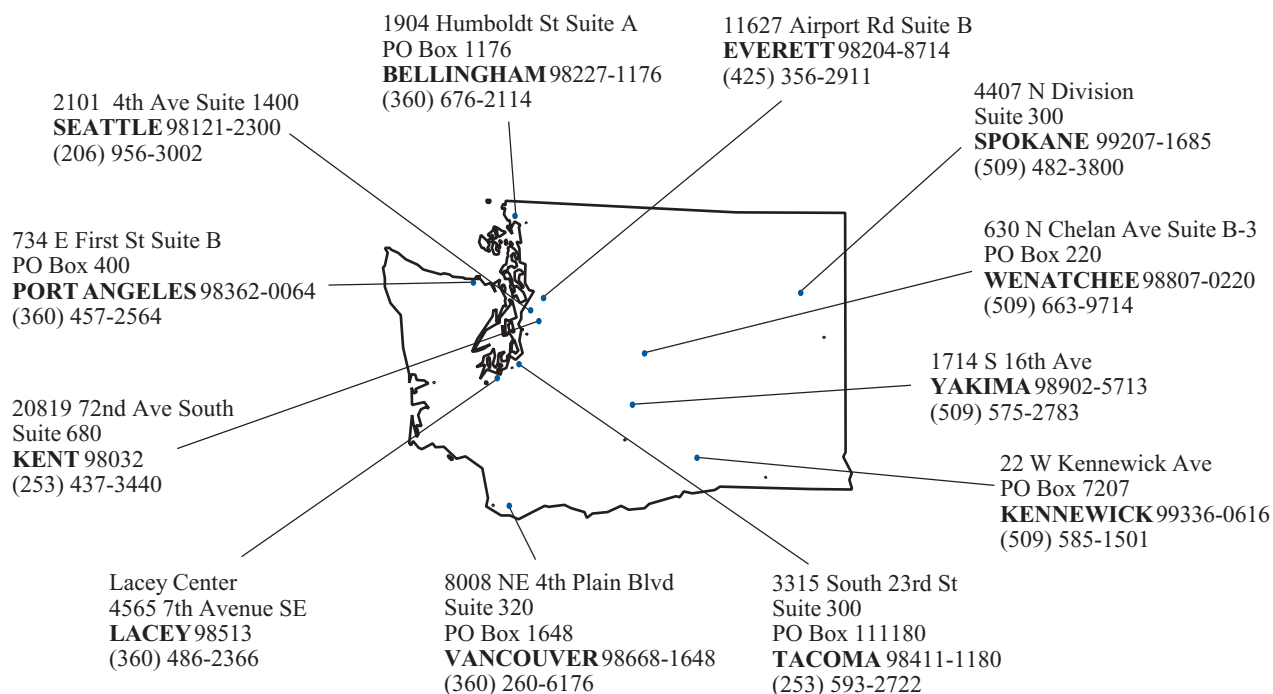
*Each exemption on this form has special rules (see instructions)*

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# FIELD OFFICE LOCATIONS



## Telephone Information Center

1-800-647-7706



<http://dor.wa.gov>

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